

Joint Standing Committee on Banking and Insurance

LD 68

**An Act to Make Available Coverage for Mental Health Services
Provided by Counseling Professionals Who Are Licensed to
Assess and Treat Intrapersonal and Interpersonal Problems**

PUBLIC 561

Sponsor(s)
BUSTIN

Committee Report
OTP-AM

Amendments Adopted
S-441

LD 68, originally titled “An Act to Increase Access to and Affordability of Mental Health and Substance Abuse Treatment Services by Providing Mandatory Reimbursement to Counseling Professionals Who Are Licensed to Assess and Treat Intrapersonal and Interpersonal Problems” was originally considered by the Joint Standing Committee on Banking and Insurance in the First Regular Session, recommitted and carried over by the Joint Standing Committee on Appropriations and Financial Affairs and rereferred to the Banking and Insurance Committee in the Second Regular Session. The bill proposed to provide mandatory reimbursement of counseling professionals who are licensed to assess and treat intrapersonal and interpersonal problems. Other counselors whose licensed scope of practice did not include assessment and treatment would not have been subject to mandatory insurance reimbursement under this bill.

Committee Amendment "A" (S211) proposed to extend the mandatory reimbursement for mental health services provided by counseling professionals licensed in the State to assess and treat intrapersonal and interpersonal problems to individual health insurance policies. The bill's provisions applied only to group contracts issued by insurers and all contracts of nonprofit hospital and medical service organizations.

The amendment specifies that the reimbursement is mandatory for mental health services provided until December 31, 1998, and that the bill, as amended, applies to policies executed on or after January 1, 1996.

The amendment also proposed to add a fiscal note.

Committee Amendment "B" (S441) replaced the bill and Committee Amendment A. After rereferral from the Joint Standing Committee on Appropriations and Financial Affairs, the committee reconsidered the bill in the Second Regular Session and proposed a mandated offer of coverage for mental health services performed by licensed counseling professionals. This amendment proposed to require that nonprofit hospital and medical service organizations and insurers make available coverage for mental health services provided by counselors in individual and group contracts at the option of the policyholder. It applies to all contracts executed or renewed on or after January 1, 1997.

Enacted law summary

Public Law 1995, chapter 56 establishes a mandated offer of insurance coverage for mental health services performed by licensed counseling professionals in individual and group contracts provided by nonprofit hospital and medical service organizations and insurers. It applies to all contracts executed or renewed on or after January 1, 1997.

LD 183 An Act to Clarify Fresh Start Charges under the Workers' Compensation Laws ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PLOWMAN	ONTP	

LD 183 was carried over from the First Regular Session and proposed ~~limit~~ the amount of the workers' compensation insurance Fresh Start surcharge for employers who were not in business in the year of any deficit to 2% of their premium or imputed premium in the year that the surcharge is ordered.

LD 690 An Act to Provide Family Security through Quality, Affordable Health Care ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN	ONTP	

LD 690 was carried over from the First Regular Session and proposed ~~to~~ establish a universal access health care system that offers choice of coverage through organized delivery systems or through a managed care system operated by the Maine Health Care Agency and channels all health care dollars through a dedicated trust fund. It reorganizes State Government as required for the delivery of a unified health care system.

1. Part A of the bill proposed to do the following.

It establishes the Maine Health Care Plan to provide family security through quality, affordable health care for the people of the State. All residents and nonresidents who maintain significant contacts with the State are eligible for covered health care services through the Maine Health Care Plan. The plan is funded by the Maine Health Care Trust Fund, a dedicated fund receiving payments from employers, individuals, plan members and, after fiscal year 1997, from the 5¢ per package increase in the cigarette tax. The Maine Health Care Plan provides a range of benefits, including hospital services, health care services from participating providers, laboratories and imaging procedures, home health services, rehabilitative services, prescription drugs and devices, mental health services, substance abuse treatment services, dental services, vision appliances, medical supplies and equipment and hospice care. Health care services through the Maine Health Care Plan are provided by participating providers in organized delivery systems and through the open plan, which is available to all providers. The plan is supplemental to other health care programs that may be available to plan members, such as Medicare, Medicaid, the federal Civilian Health and Medical Program of the Uniformed Services, the federal Indian Health Care Improvement Act and workers' compensation.

It establishes the Maine Health Care Agency to administer and oversee the Maine Health Care Plan, to act under the direction of the Maine Health Care Council and to administer and oversee the Maine Health Care Trust Fund. The Maine Health Care Council is the decision making and directing council for the agency and is composed of 3 fulltime appointees.

It directs the Maine Health Care Agency to establish programs to ensure quality, affordability, efficiency of care and health planning. The agency health planning program includes the establishment of global budgets for health care expenditures for the State and for institutions and hospitals. The health planning program also encompasses the certificate of need responsibilities of

the agency, the health planning responsibilities pursuant to the Maine Revised Statutes, Title 22, chapter 103, data collection and the hospital financing system pursuant to Title 22, chapter 107.

It contains a directive to the State Controller to advance \$400,000 to the Maine Health Care Trust Fund on the effective date of that Part. This amount must be repaid from the fund by June 30, 1997.

It contains the effective date of the Part, January 1, 1996.

2. Part B of the bill proposed to establish the Maine Health Care Plan Transition Advisory Committee. Composed of 20 members, appointed and subject to confirmation, the committee is charged with holding public hearings, soliciting public comments and advising the Maine Health Care Agency on the transition from the current health care system to the Maine Health Care Plan. Members of the committee serve without compensation but may be reimbursed for their expenses. The committee is directed to report to the Governor and to the Legislature on July 1, 1996, January 1, 1997, July 1, 1997 and December 31, 1997. The committee completes its work on December 31, 1997.

3. Part C of the bill proposed to transfer the certificate of need and related health planning programs from the Department of Human Services to the Maine Health Care Agency as of July 1, 1996. Authority to make certificate of need decisions is transferred from the department to the agency. The Office of Health Planning and Development is abolished and its staff, resources and responsibilities are transferred to the agency. This Part changes the Hospital Development Account into the Certificate of Need Development Account.

4. Part D of the bill proposed to consolidate the staff, powers and responsibilities of the Maine Health Care Finance Commission into the newly created Maine Health Care Agency as of January 1, 1997. On that date, the commission is abolished and the Maine Health Care Agency and Maine Health Care Council assume all of the former commission's powers and duties. The hospital assessment formerly collected to fund the commission is abolished.

5. Part E of the bill proposed to establish the salaries of the members of the Maine Health Care Council and the executive director of the Maine Health Care Agency.

6. Part F of the bill proposed to prohibit the sale on the commercial market of health insurance policies and contracts that duplicate the coverage provided by the Maine Health Care Plan. It allows the sale of health care policies and contracts that do not duplicate and are supplemental to the coverage of the Maine Health Care Plan.

7. Part G of the bill proposed to impose a 5¢ per package increase in the cigarette tax beginning December 1, 1995. Proceeds from the cigarette tax increase are paid to the Maine Health Care Trust Fund.

8. Part H of the bill proposed to direct the Maine Health Care Agency to ensure employment retraining for administrative workers employed by insurers and providers who are displaced by the transition to the Maine Health Care Plan. It directs the Maine Health Care Agency to study the delivery and financing of long-term care services to plan members. Consultation is required with the Maine Health Care Plan Transition Advisory Committee, representatives of consumers and potential consumers of long-term care services and representatives of providers of long-term care services, employers, employees and the public. A report to the Legislature is due January 1, 1998.

The Maine Health Care Agency is directed to study the provision of health care services under the Medicaid and Medicare programs, waivers, coordination of benefit delivery and compensation,

reorganization of State Government necessary to accomplish the objectives of the Maine Health Care Agency and legislation needed to carry out the purposes of the bill. The agency is directed to apply for all waivers required to coordinate the benefits of the Maine Health Care Plan and the Medicaid and Medicare programs. A report is due to the Legislature by March 1, 1997.

9. Part I of the bill declared the Legislature's intent to abolish the Bureau of Health and the Bureau of Medical Services and to transfer their powers, responsibilities, programs, staff and resources to the Maine Health Care Agency by January 1, 1997. The agency is directed to work with the Commissioner of Human Services to prepare all necessary legislation and submit it to the Legislature by December 1, 1996.

See related bills LD 1798 and LD 1803.

LD 752 An Act to Include Obstetricians and Gynecologists as ONTP
Primary Care Providers

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 752 was carried over from the First Regular Session and proposed to make identical changes in the requirements for individual health insurance, group health insurance and health care coverage provided by nonprofit hospital and medical service organizations and health maintenance organizations. All requirements proposed to take effect on January 1, 1996. The requirements included the following.

1. Plans that designate physicians as primary care providers must designate physicians providing gynecological and obstetrical services as primary care providers.
2. Coverage must be provided for semiannual gynecological examinations and gynecological and obstetrical services required as a result of those exams or as a result of an acute health care condition and pregnancy.
3. Written notice of gynecological and obstetrical service coverage must be provided.

See related bills LD 1079 and LD 1385.

LD 841 An Act to Amend the Approval Requirements for Medicare ONTP
Supplement Insurance Policies

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARPENTER LORD	ONTP	

LD 841 was carried over from the First Regular Session. Due to standardization of Medicare supplement policies and community rating reform legislation, annual review and approval of Medicare supplement rates is no longer necessary. As long as no rate increase is requested and the rates meet minimum loss ratio standards, this bill proposed to require filing every year for informational purposes.

See related bill LD 1513.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATERHOUSE	OTP-AM MAJ ONTP MIN	

LD 887, originally titled An Act to Encourage Job Creation by Exempting Small Employers from the Current Workers' Compensation System, was carried over from the First Regular Session after referral from the House following consideration of the committee report of the Joint Standing Committee on Labor. The bill proposed to exempt employers with 5 or fewer employees from the requirement to obtain workers' compensation insurance. In order to be exempt and to obtain a defense against claims by insured employees, the employer would have to provide disability and health insurance coverage to all employees.

Committee Amendment "A" (H295) was the minority report of the Joint Standing Committee on Labor in the First Regular Session and proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

House Amendment "A" (H363) was offered in the First Regular Session and proposed to allow employers of 5 or fewer employees to choose not to utilize the workers' compensation system and requires those employers to maintain liability insurance, health care coverage and disability income coverage. It provides that employers who maintain coverage in this manner are still responsible for assessment under the Maine Revised Statutes, Title 24 section 2386A, the fresh start provisions of workers' compensation insurance. This amendment deleted the existing provision that applies to employees of small agricultural employers. House Amendment "A" was not adopted.

Committee Amendment "B" (H689) is the majority report of the Joint Standing Committee on Banking and Insurance upon its consideration of the bill and its proposed amendments in the Second Regular Session. This amendment replaced the bill and its proposed amendments with a resolve. The amendment proposed to establish the Study Commission on the Workers' Compensation Laws Relating to Small Business. The commission consists of 17 members representing the Joint Standing Committee on Banking and Insurance, the Joint Standing Committee on Labor, the Bureau of Insurance, the Department of Labor, the Workers' Compensation Board, the insurance industry, the small business community and labor interests. The amendment also proposed to add an appropriation section and a fiscal note to the resolve. The resolve is an emergency and takes effect when enacted. Committee Amendment "B" died on the Special Appropriations Table.

House Amendment "A" To Committee Amendment "B" (H698) proposed to remove the language that entitles members of the commission that are Legislators to remove the language that entitles members of the commission that are Legislators to legislative per diem. House Amendment "A" was not adopted.

House Amendment "B" To Committee Amendment "B" (H721) proposed to change the membership of the Study Commission on Workers' Compensation Laws Relating to Small Business by giving the Joint Standing Committee on Banking and Insurance and the Joint Standing Committee on Labor equal representation. House Amendment "B" was not adopted.

LD 1079 An Act to Improve Coverage for Women's Health Services

ONTP

Sponsor(s)
MITCHELL JE
MCCORMICK

Committee Report
ONTP

Amendments Adopted

LD 1079 was carried over from the First Regular Session and proposed to make identical changes in the requirements for individual health insurance, group health insurance and health care coverage provided by nonprofit hospital and medical service organizations and health maintenance organizations. All requirements proposed to take effect on January 1, 1996. The requirements included the following.

1. Copayments and coinsurance may not be imposed for routine, low dose screening mammograms. A deductible of no more than \$5 may be charged.
2. Coverage may not be denied or in any way affected by a person having had a prior diagnosis for a fibrocystic breast condition or a breast implantation.
3. Coverage must be provided for breast cancer treatment, subject to the same deductibles, copayments and coinsurance as for other services.
4. Plans that designate physicians as primary care providers must designate physicians providing gynecological and obstetrical services as primary care providers.

See related bills LD 752 and LD 1385.

LD 1385 An Act to Ensure That Basic Health Care Needs of Women Are Covered in Insurance Policies

PUBLIC 617

Sponsor(s)
DONNELLY

Committee Report
OTP-AM MAJ
OTP-AM MIN

Amendments Adopted
H-707
H-822

LD 1385 was carried over from the First Regular Session and proposed to provide that health insurance policies must include coverage for prenatal care, annual Pap tests, mammograms, rectal and colon exams for women age 40 and older, human immunodeficiency virus and sexually transmitted disease. The bill also proposed to require that physicians whose specialty is obstetrics and gynecology be eligible to be primary care physicians under a managed care program.

Committee Amendment "A" (H707) is the majority report of the committee and replaced the bill. It proposed to make the following changes in the requirements for group contracts provided by nonprofit hospital and medical service organizations, insurers and health maintenance organizations.

1. Coverage must be provided in all contracts for screening Pap tests recommended by a physician.
2. Managed care plans that require the selection of a primary care physician must permit physicians who specialize in obstetrics and gynecology to serve as primary care physicians if they meet certain credentialing criteria.

3. Managed care plans that require the selection of a primary care physician must provide coverage for an annual gynecological examination performed by a physician participating in the plan without requiring the prior approval of a primary care physician.

The amendment provides an effective date of January 1, 1997.

This amendment also proposed to add a fiscal note.

Committee Amendment "B" (H708) is the minority report of the committee and replaced the bill. It proposed to make the following changes in the requirements for group contracts provided by nonprofit hospital and medical service organizations, insurers and health maintenance organizations.

1. Coverage must be provided in all contracts for screening Pap tests recommended by a physician.

2. Managed care plans that require the selection of a primary care physician must permit physicians who specialize in obstetrics and gynecology to serve as primary care physicians if they meet certain credentialing criteria.

The amendment provides an effective date of January 1, 1997.

This amendment also proposed to add a fiscal note. Committee Amendment "B" was not adopted.

House Amendment "D" To Committee Amendment "A" (H22) incorporated the substantive provisions of House Amendments "A", "B" and "C" and Senate Amendment A and proposed to require the patient or the examining physician, certified nurse practitioner or certified nurse midwife to obtain a referral from the patient's primary care physician if further treatment is needed and the carrier requires that referral. This amendment proposed to allow a carrier to require a physician, certified nurse practitioner or certified nurse midwife to inform a woman's primary care physician prior to rendering gynecological services. This amendment proposed to specify that all group plans must provide coverage for annual gynecological examinations performed by a certified nurse practitioner or certified nurse midwife, as well as those examinations performed by a physician.

House Amendment "A" To Committee Amendment "A" (H22) proposed to clarify that all group plan contracts must provide coverage for annual gynecological examinations performed by a provider participating in the plan. House Amendment "A" was not adopted.

House Amendment "B" To Committee Amendment "A" (H10) proposed to require the patient or the examining physician, certified nurse practitioner or certified nurse midwife to obtain a referral from the patient's primary care physician if further treatment is needed. This amendment also proposed to allow a carrier to require a physician, certified nurse practitioner or certified nurse midwife to inform the carrier prior to rendering gynecological services. House Amendment "B" was not adopted.

House Amendment "C" To Committee Amendment "A" (H19) proposed to require the patient or the examining physician, certified nurse practitioner or certified nurse midwife to obtain a referral from the patient's primary care physician if further treatment is needed and the carrier requires that referral. This amendment also proposed to allow a carrier to require a physician, certified nurse practitioner or certified nurse midwife to inform a woman's primary care physician prior to rendering gynecological services. House Amendment "C" was not adopted.

Senate Amendment "A" To Committee Amendment "A" (469) proposed to specify that all group plans must provide coverage for annual gynecological examinations performed by a certified nurse practitioner or certified nurse midwife. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law chapter 1995, chapter 617 requires that group health insurance policies provided by nonprofit hospital and medical service organizations, insurers and health maintenance organizations meet the following requirements beginning January 1, 1997

1. Coverage must be provided in all contracts for screening Pap tests recommended by a physician.
2. Managed care plans that require the selection of a primary care physician must permit physicians who specialize in obstetrics and gynecology to serve as primary care physicians if they meet certain credentialing criteria.
3. Managed care plans that require the selection of a primary care physician must provide coverage for an annual gynecological examination performed by a physician, certified nurse practitioner or certified nurse midwife participating in the plan without requiring the prior approval of a primary care physician. Carriers may require a physician, certified nurse midwife or certified nurse practitioner to inform a woman's primary care physician prior to rendering gynecological services. If the carrier requires, the patient or examining physician, certified nurse practitioner or certified nurse midwife must obtain a referral from the primary care physician if any further treatment is needed

LD 1512 An Act to Ensure Fairness and Choice to Patients and Providers under Managed Health Care

ONTP

Sponsor(s)
MCCORMICK
AMERO
LIBBY JD

Committee Report
ONTP

Amendments Adopted

LD 1512 was carried over from the First Regular Session and proposed to provide fundamental protection to patients and providers in managed care health plans. The bill proposed to enact provisions to ensure that:

1. Patients understand the coverages and incentives in such plans;
2. Providers receive due process relative to plan selection and denial of participation;
3. Patients have access to the services for which they are covered and are provided with due process;
4. Patients and purchasers are given the opportunity to compare one plan with another, financially and otherwise;
5. Patients are given as many options as possible, consistent with cost containment strategies; and
6. Providers, patients and the managed care plans work together to contain costs.

See related bills LD 1753 and LD 1882.

LD 1513 An Act to Promote Additional Health Insurance Reform

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GWADOSKY	ONTP MAJ OTP-AM MIN	

LD 1513 was carried over from the First Regular Session and proposed to eliminate the requirement of prior approval of rates for individual health insurers and nonprofit hospital and medical service organizations. It also proposed to prohibit employers and the Medicaid program from purchasing individual health insurance or transferring to individual health insurance any individual, employee or dependent who is enrolled in or eligible for group health insurance coverage or the Medicaid program. In the calculation of participation requirements in the group health market, it excludes persons enrolled in group health insurance. It requires that guaranteed issuance of individual health insurance applies to all persons except those who are enrolled in or eligible for group health insurance.

An amendment to the bill presented to the committee by the sponsor proposed to amend the existing statutory procedure allowing a nonprofit hospital and medical service organization upon the approval of a conversion plan by the Superintendent and phase in payment of the premium tax and Bureau of Insurance assessments for the converting organization. This amended draft also proposed to amend the rate review procedure for individual and Medicare policies and provide an exemption from rate review for these policies if the average rate increases were under 14% and 8% respectively. And it proposed to create an exception from the guaranteed issuance requirement for individual health plans in order to prevent "dumping" by allowing carriers to deny issuance in this situation, provided notice is given to the Superintendent within 10 days of the denial. This proposed amendment was not adopted by the committee.

Committee Amendment "A" (§20) is the minority report and replaced the bill with a resolve titled "Resolve, to Place a Moratorium on the Conversion of a Nonprofit Hospital or Medical Service Organization". The amendment proposed to put a moratorium on the conversion of a nonprofit hospital or medical service organization until October 1, 1997. Committee Amendment "A" was not adopted.

Senate Amendment "A" To Committee Amendment "A" (§26) proposed to change the date of the moratorium on the conversion of a nonprofit hospital or medical service organization from October 1, 1997 to June 30, 1997. Senate Amendment "A" was not adopted.

LD 1622 An Act to Promote Parity Between State and Federally Chartered Credit Unions

PUBLIC 512

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE	OTP-AM	H-683

LD 1622 changes the Maine Banking Code as it applies to credit unions. It proposed to establish parity between state and federally chartered credit unions by:

1. Enabling state-chartered credit union members to determine when minors may vote on credit union management, operations, policy and other matters;
2. Allowing state-chartered credit union members to obtain lines of credit for terms longer than one year, subject to periodic review by the credit committee or a loan officer; and
3. Authorizing liens on a member's shares, since a member's share account represents that member's ownership of the credit union, rather than a debt of the credit union to the member as is represented by a bank customer's deposit account. Federal regulators have determined that no common-law right of setoff arises from a share account relationship.

Committee Amendment "A" (H683) proposed to authorize a state-chartered credit union to become a member of the National Credit Union Administration Central Liquidity Facility. Under federal law, federally chartered credit unions have this authority. The change provides parity between state-chartered and federally chartered credit unions.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 512 amends the Maine Banking Code to establish parity between state and federally chartered credit unions by:

1. Enabling state-chartered credit union members to determine when minors may vote on credit union management, operations, policy and other matters;
2. Allowing state-chartered credit union members to obtain lines of credit for terms longer than one year, subject to periodic review by the credit committee or a loan officer; and
3. Authorizing liens on a member's shares, since a member's share account represents that member's ownership of the credit union, rather than a debt of the credit union to the member as is represented by a bank customer's deposit account. Federal regulators have determined that no common-law right of setoff arises from a share account relationship.
4. Authorizing a state-chartered credit union to become a member of the National Credit Union Administration Central Liquidity Facility. Under federal law, federally chartered credit unions have this authority.

LD 1630 An Act to Allow the Diagnosis of Biologically-based Mental Illness by Licensed Psychologists

PUBLIC 637

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM MAJ	H-879
POVICH	OTP-AM MIN	S-473

LD 1630 proposed to expand the diagnostic language of the statutory provisions governing insurance coverage for biologically-based mental illnesses to include the diagnoses of licensed psychologists. The bill is an emergency and takes effect when approved.

Committee Amendment "A" (S472) proposed to require that licensed physicians, licensed psychologists, accredited public or psychiatric hospitals or community agencies licensed at the comprehensive service level be reimbursed for the treatment and diagnosis of biologically based

mental illnesses under the same terms and conditions provided for medical treatment of physical illnesses.

This amendment also proposed to add a fiscal note to the bill and removes the emergency preamble and the emergency clause from the bill. Committee Amendment "A" was not adopted.

Committee Amendment "B" (S473) is the minority report and proposed to amend the diagnostic language of the statutory provisions governing insurance coverage for biologically based mental illnesses to allow the diagnosis and treatment of these illnesses by a licensed provider acting within the scope of the provider's licensure. This amendment also proposed to remove the emergency preamble and the emergency clause and add a fiscal note to the bill.

House Amendment "A" To Committee Amendment "B" (H79) proposed to retain the language of the original bill by removing the substantive provisions made by Committee Amendment "B" but retaining the language striking the emergency preamble and emergency clause.

Senate Amendment "A" To Committee Amendment "A" (S30) proposed to clarify that the diagnosis and treatment of biologically based mental illness may be performed by licensed providers, including licensed clinical social workers and clinical nurse specialists, if the provider is acting within the scope of the provider's licensure and also clarifies that payment and reimbursement for these services continues at its current level. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law 1995, chapter 637 expands the diagnostic language of the statutory provisions governing insurance coverage for biologically-based mental illness to include the diagnoses made by licensed psychologists as well as licensed allopathic and osteopathic physicians.

LD 1643 An Act to Clarify Certain Provisions Relating to Workers' Compensation Selfinsurance

PUBLIC 619
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM MAJ ONTP MIN	S-493

LD 1643 proposed to clarify the definition of "successor selfinsured employer" for the purposes of determining the applicable surcharge for the fresh start period. The surcharge of successor entities to selfinsured employers is calculated by using a formula based on whether the predecessor selfinsured company has any fresh start liability and the payroll of the predecessor self-insured company and the other entity that combine to form the successor entity. The bill also proposed to give self-insured employers the ability to appeal a surcharge billing to the Superintendent of Insurance for a determination whether the billing is consistent with the definition of "successor selfinsured employer" or whether there was a factual inaccuracy in the information underlying a surcharge issued by the governing board of the Maine Workers' Compensation Residual Market Pool.

The bill would have applied retroactively to June 23, 1995.

Committee Amendment "A" (S493) replaced the bill and proposed to clarify the definition of "successor selfinsured employer" for the purpose of determining the applicable surcharge for the

fresh start period. The surcharge of successor self-insured employers is calculated by using a formula based on whether the employer or employers combining to form the successor entity had any fresh start liability and the surchargeable premium of each employer. The amendment also proposed to give self-insured employers the ability to appeal a surcharge billing to the governing board of the Workers' Compensation Residual Market Pool for a determination as to whether the billing is consistent with the Maine Revised Statutes, Title 24 section 2393 or whether there was a factual inaccuracy in the information underlying a surcharge issued by the board.

The amendment would have added a retroactivity provision for the purposes of determining the surcharge liability for the fresh start period of successor self-insured employers after July 1, 1995.

The amendment proposed to allow all group self-insurers to declare surplus funds above the required confidence level without prior approval of the Superintendent of Insurance, to distribute surplus funds and file information with the superintendent and clarify what assets held outside the trust fund may be considered when determining surplus.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 619 clarifies the definition of "successor self-insured employer" for the purpose of determining the applicable surcharge for the fresh start period. The surcharge of successor self-insured employers is calculated by using a formula based on whether the employer or employers combining to form the successor entity had any fresh start liability and the surchargeable premium of each employer. The law is retroactive for the purposes of determining the surcharge liability for the fresh start period of successor self-insured employers after July 1, 1995. It also gives self-insured employers the ability to appeal a surcharge billing to the governing board of the Workers' Compensation Residual Market Pool for a determination as to whether the billing is consistent with the Maine Revised Statutes, Title 24 section 2393 or whether there was a factual inaccuracy in the information underlying a surcharge issued by the board.

Public Law 1995, chapter 619 allows all group self-insurers to declare surplus funds above the required confidence level without prior approval of the Superintendent of Insurance and to distribute surplus funds and file information with the superintendent. It also clarifies what assets held outside the trust fund may be considered when determining surplus.

LD 1650 An Act Enabling the Maine Employers' Mutual Insurance Company to Better Serve the Needs of Small Business

PUBLIC 551

Sponsor(s)
GWADOSKY

Committee Report
OTP-AM

Amendments Adopted
H-719

LD 1650 proposed to make 2 changes in Maine Employers' Mutual Insurance Company's enabling legislation. Under the current statutory framework, the company has no authority to provide premium payment plans and to extend coverage to Maine-based employers with out-of-state operations. This bill proposed to enable the company to provide alternative premium payment plans with the Superintendent of Insurance's prior approval and to apply for authority to write workers' compensation insurance covering employees of Maine-based employers operating out of this State.

Committee Amendment "A" (H719) replaced the bill and proposed to make changes in Maine Employers' Mutual Insurance Company's enabling legislation to give the company the authority to provide alternative premium payment plans and to apply for authority to write workers' compensation insurance covering employees of Maine-based employers with out-of-state operations with the Superintendent of Insurance's prior approval. The amendment also proposed to repeal the requirement that workers' compensation insurers offer a mandatory deductible of \$500 for medical expenses. And the amendment proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 55 gives the Maine Employers' Mutual Insurance Company the authority to provide alternative premium payment plans and to apply for authority to write workers' compensation insurance covering employees of Maine-based employers with out-of-state operations with the Superintendent of Insurance's prior approval. It also repeals the requirement that workers' compensation insurers offer a mandatory deductible of \$500 for medical expenses.

LD 1656 An Act to Provide for Confidential Treatment of State and Federal Regulatory Information in the Application Process for Financial Institutions PUBLIC 521

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GATES	OTP-AM	H-694

Current law requires that the Superintendent of Banking approve applications filed by a financial institution or financial institution holding company. During the course of the investigation of any application filed with the Bureau of Banking, staff may obtain information from other state and federal regulatory or law enforcement agencies that would be confidential under federal law or regulation. LD 1656 proposed to require confidential treatment of information provided to the bureau from other regulatory or law enforcement agencies and ensures that the bureau will have access to such information.

Committee Amendment "A" (H694) replaced the bill. Current law requires that the Superintendent of Banking approve applications filed by a financial institution or financial institution holding company. During the course of the investigation of any application filed with the Bureau of Banking, staff may obtain information from other state and federal regulatory or law enforcement agencies that would be confidential under federal law or regulation. This amendment proposed to require confidential treatment of information provided to the bureau from other regulatory or law enforcement agencies if the information would be confidential under federal law or regulation and ensures that the bureau will have access to such information. The superintendent may not rely on this confidential information as a basis for a decision unless the information is disclosed to the applicant and any interested party to the proceeding.

Enacted law summary

Public Law 1995, chapter 52 requires confidential treatment of information provided to the bureau from other regulatory or law enforcement agencies if the information would be confidential under federal law or regulation and ensures that the bureau will have access to such information. The superintendent may not rely on this confidential information as a basis for a decision unless the information is disclosed to the applicant and any interested party to the proceeding.

LD 1657 An Act to Repeal an Insurance Law Relating to Motor Vehicle PUBLIC 522
Damage Appraisal

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE	OTP-AM	H-693

LD 1657 proposed to repeal the Maine Revised Statutes, Title 24A, section 2164B. Title 24-A, section 2164B prohibits a person or company that appraises damage to a motor vehicle for an insurer from also repairing the damage to the motor vehicle for compensation.

Committee Amendment "A" (H693) proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 522 repeals the prohibition on a person or company that appraises damage to a motor vehicle for an insurer from also repairing the damage to the motor vehicle for compensation.

LD 1663 An Act to Clarify the Laws Regarding the Issuance of a PUBLIC 516
Credit Card to Benefit the Land for Maine's Future Fund EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE	OTP-AM MAJ	H-688
	ONTF MIN	

LD 1663 proposed to amend the laws regarding the issuance of a credit card to benefit the Land for Maine's Future Fund to include all credit card issuers in the bidding process for the credit card program.

Committee Amendment "A" (H688) is the majority report of the committee and proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 516 expands the bidding process for the credit card program to benefit the Land for Maine's Future Fund to include all credit card issuers

LD 1665 An Act to Amend the Maine Insurance Code with Respect to PUBLIC 553
Domestic Violence

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GREEN	OTP-AM	H-720
LONGLEY		
SAXL M		

LD 1665 proposed to prohibit hospital medical organizations, issuers of individual or group health insurance and health maintenance organizations from canceling coverage for health care or refusing to issue, renew or continue coverage to a person solely because the person had been a victim of domestic violence.

Committee Amendment "A" (H/20) replaced the bill and proposed to prohibit insurers, nonprofit hospital and medical service organizations and health maintenance organizations from discriminating against victims of domestic violence in life, health and disability insurance coverage. The amendment does not prohibit an insurer from denying coverage to an applicant known to be, or to have been, an abuser of the proposed insured.

Enacted law summary

Public Law 1995, chapter 553 prohibits insurers, nonprofit hospital and medical service organizations and health maintenance organizations from discriminating against victims of domestic violence in life, health and disability insurance coverage. It does not prohibit an insurer from denying coverage to an applicant known to be, or to have been, an abuser of the proposed insured.

LD 1684 An Act to Consolidate Insurer Billing Procedures and to Streamline the Licensing Process for Reinsurance Intermediaries

PUBLIC 544
EMERGENCY

Sponsor(s)
LUMBRA

Committee Report
OTP-AM

Amendments Adopted
H-718

LD 1684 proposed to amend applicable provisions in the Maine Insurance Code to combine the billing process for insurers for assessments, the annual statement filing fee and the annual continuation fee. One bill will be sent by the Bureau of Insurance to each insurer and one check will be forwarded to the Treasurer of State instead of 3. This bill also proposed to amend the Maine Insurance Code to allow licensed agents and brokers to act as reinsurance intermediaries without further licensing and to allow persons to become licensed as reinsurance intermediaries without first becoming licensed as an agent or broker.

Committee Amendment "A" (H/18) proposed to modify the Maine Automobile Insurance Cancellation Control Act and the Maine Property Insurance Cancellation Control Act to allow an insurer to discontinue business in these lines of insurance and to authorize nonrenewal of policies in those lines if the insurer provides a plan to the superintendent that demonstrates equivalent replacement coverage is available.

The amendment also proposed to add an emergency preamble, emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 544 amends applicable provisions in the Maine Insurance Code to combine the billing process for insurers for assessments, the annual statement filing fee and the annual continuation fee. One bill will be sent by the Bureau of Insurance to each insurer and one check will be forwarded to the Treasurer of State instead of 3. This law also amends the Maine Insurance Code to allow licensed agents and brokers to act as reinsurance intermediaries without further licensing and to allow persons to become licensed as reinsurance intermediaries without first becoming licensed as an agent or broker.

Public Law chapter 544 also modifies the Maine Automobile Insurance Cancellation Control Act and the Maine Property Insurance Cancellation Control Act to allow an insurer to discontinue business in these lines of insurance and to authorize nonrenewal of policies in those lines if the

insurer provides a plan to the superintendent that demonstrates equivalent replacement coverage is available.

LD 1699 An Act to Amend and Further Deregulate the Maine Consumer Credit Code PUBLIC 614

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE	OTP-AM MAJ	H-805
	ONTP MIN	

LD 1699 proposed to make the following changes in the Maine Consumer Credit Code

1. It completes the deregulation of retail credit cards addressed in Public Law 1995, chapter 84.
2. Lenders with single offices are currently subsidizing large, outstate mortgage companies that submit multiple applications for branch offices. This bill requires that the costs of processing applications for multiple branch offices be borne by the applicants.
3. Current law limits a lender's ability to offer closed-end consumer loans for terms exceeding 3 years. All other types of personal credit, especially credit cards, have been deregulated. This bill deregulates closed-end consumer loans.
4. It extends to nonbank credit card issuers the same deregulated credit card rates allowed banks and credit unions under Public Law 1995, chapter 137.
5. It makes technical corrections by adding a word that was omitted from the existing statute and by correcting a statutory reference.

Committee Amendment "A" (H805) is the majority report and proposed to incorporate changes made to the Federal Truth in Lending Act that became effective September 30, 1995. Enacting such changes into state law protects Maine's exemption from federal enforcement. In Parts A and B of the amendment, the changes ease the strict tolerances on minor creditor disclosure errors, which have led to expensive class action lawsuits in other states.

In Part C, the amendment proposed to correct an error in existing provisions of the Maine Consumer Credit Code.

The amendment also proposed to add a fiscal note.

Enacted law summary

Public Law 1995, chapter 614 makes the following changes in the Maine Consumer Credit Code.

1. It completes the deregulation of retail credit cards addressed in Public Law 1995, chapter 84.
2. Lenders with single offices are currently subsidizing large, outstate mortgage companies that submit multiple applications for branch offices. This bill requires that the costs of processing applications for multiple branch offices be borne by the applicants.

3. Current law limits a lender's ability to offer closed-end consumer loans for terms exceeding 3 years. All other types of personal credit, especially credit cards, have been deregulated. This bill deregulates closed-end consumer loans.
4. It extends to nonbank credit card issuers the same deregulated credit card rates allowed banks and credit unions under Public Law 1995, chapter 137.
5. It makes technical corrections by adding a word that was omitted from the existing statute and by correcting a statutory reference.
6. It incorporates changes made to the Federal Truth in Lending Act that became effective September 30, 1995. Enacting such changes into state law protects Maine's exemption from federal enforcement. The changes ease the strict tolerances on minor creditor disclosure errors, which have led to expensive class-action lawsuits in other states.

LD 1702 An Act to Require That Diabetes Supplies and Self-management Training be Covered by Health Insurance Policies

PUBLIC 592

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JONES S	OTP-AM MAJ	H-827
	ONTP MIN	

LD 1702 proposed to require that individual and group health insurers provide coverage for all medically appropriate and necessary equipment, supplies and ~~out~~patient selfmanagement training and educational services used to treat diabetes.

Committee Amendment "A" (H-827) replaced the bill and proposed to require that nonprofit hospital and medical service organizations, insurers and health maintenance organizations provide coverage in individual and group contracts for insulin, oral hypoglycemic agents, monitors, test strips, syringes and lancets used to treat diabetes and ~~out~~patient selfmanagement training and educational services offered through ambulatory diabetes education facilities authorized by the State's Diabetes Control Project within the Bureau of Health.

The amendment also proposed to add a fiscal note

Enacted law summary

Public Law 1995, chapter 592 requires that nonprofit hospital and medical service organizations, insurers and health maintenance organizations provide coverage in individual and group contracts for insulin, oral hypoglycemic agents, monitors, test strips, syringes and lancets used to treat diabetes and outpatient selfmanagement training and educational services offered through ambulatory diabetes education facilities authorized by the State's Diabetes Control Project within the Bureau of Health.

LD 1703 An Act to Confirm That Nonprofit Health Care Providers May Achieve Cost Savings on Professional and General Liability Coverage

PUBLIC 540

Sponsor(s)
BUTLAND

Committee Report
OTP-AM

Amendments Adopted
S-425

LD 1703 proposed to clarify that purchasing groups may pool deductible or retention amounts applicable to the group as a whole and its individual members, without the pooling arrangement being considered "insurance" for the purposes of the Maine Revised Statutes, Title 24

Committee Amendment "A" (§425) proposed to clarify that liability insurance purchasing groups formed under the Maine Liability Risk Retention Act may not assume risk. The amendment brings Maine law into accord with the National Association of Insurance Commissioner's model language and is necessary for state accreditation.

Enacted law summary

Public Law 1995, chapter 54 clarifies that liability insurance purchasing groups formed under the Maine Liability Risk Retention Act may not assume risk to bring Maine law into accord with the National Association of Insurance Commissioner's model language and to maintain state accreditation

LD 1732 An Act to Promote the Health of Newborns and Their Mothers

PUBLIC 615
EMERGENCY

Sponsor(s)
GOLDTHWAIT

Committee Report
OTP-AM

Amendments Adopted
S-511
S-521

LD 1732 proposed to require all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for a minimum of 48 hours of inpatient hospital care following a vaginal delivery and a minimum of 96 hours of inpatient hospital care following a cesarean section. Shorter stays may be authorized by the attending physician or certified nurse midwife if the newborn meets the criteria for medical stability contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology and an initial postpartum home visit for both mother and newborn is provided.

Committee Amendment "A" (§11) replaced the bill and proposed to require all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for maternity benefits, including coverage for hospital stay, in accordance with the attending physician's determination in conjunction with the mother that the mother and newborn meet the criteria contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology. The amendment also proposed to add a fiscal note to the bill.

Senate Amendment "A" To Committee Amendment "A" (§21) proposed to clarify that insurance benefits for maternity and newborn care must be provided in accordance with a determination made by an attending certified nurse midwife or an attending physician that the mother and newborn meet the criteria contained in the guidelines.

Enacted law summary

Public Law 1995, chapter 615 requires all individual and group contracts of nonprofit hospital or medical service organizations, insurers and health maintenance organizations providing benefits for maternity and newborn care to provide coverage for maternity benefits, including coverage for hospital stay, in accordance with the attending physician's or certified nurse midwife's determination in conjunction with the mother that the mother and newborn meet the criteria contained in the "Guidelines for Perinatal Care," published by the American Academy of Pediatrics and the American College of Obstetrics and Gynecology.

LD 1750 An Act to Implement the Recommendations of the Maine Task Force on Interstate Banking and Branching PUBLIC 628

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE	OTP-AM	H-812 S-580

The report of the Maine Task Force on Interstate Banking and Branching, dated November 30, 1995, recommends action the State should take in response to the federal Riegle-Neal Interstate Banking and Branching Act of 1994 to permit interstate branching in this State. The report contains numerous recommendations for legislation to enact the necessary statutory authority and safeguards. LD 1750 proposed to make the following changes to the Banking Code in accordance with the recommendations of the task force.

1. The bill makes the necessary changes to definitions in the Maine Banking Code to conform to Riegle-Neal and other changes being proposed in this bill.
2. The bill makes the necessary changes to examination and enforcement provisions of the Maine Banking Code to provide for the regulation of the financial industry in an interstate branching environment. Changes include authorizing the Bureau of Banking to engage in joint examinations, exchange of information and contracting with other state or federal regulatory agencies in order to alleviate regulatory burden; expanding cease and desist and officer removal authority to ensure that interstate branch operations comply with state laws; prohibiting the interstate operation of a deposit production office and reporting requirements to monitor compliance; and establishing a 30% limit on deposits that may be acquired through merger or acquisition by a financial institution doing business in the State.
3. The bill authorizes interstate branching through establishment, acquisition or interstate merger, effective January 1, 1997. This permits an interstate merger, with the operation of interstate branches. It also permits the acquisition of a branch only, and de novo establishment of an interstate branch, but only on a reciprocal basis.
4. The bill permits state chartered banks to act as agent for other financial institutions, which establishes parity with the new powers provided to federally chartered banks by Riegle-Neal.
5. The bill also makes technical changes to Maine banking and bank holding company laws to conform to Riegle-Neal and other changes being proposed in this bill.
6. The bill also makes technical changes to the Maine franchise tax laws to ensure that interstate branches are subject to the franchise tax.

Committee Amendment "A" (H12) proposed to make the following changes to the bill.

1. It sets a cap on the fee that may be assessed to out-of-state financial institutions operating branches in this State.
2. It clarifies use of the words "bank," "savings" and other derivatives of those terms and clarifies that state deposit concentration limits apply only to deposits gathered in the State.
3. It clarifies the provision governing the operation of interstate branches and satellite facilities
4. It clarifies that loans originating in the State with customer billing addresses outside the State are excluded from the franchise tax if the entity operates a branch in the state of the customer's billing address.
5. It repeals an outdated rulemaking requirement in the Maine Banking Code.
6. It adds a nonseverability clause with respect to the reciprocity provision regarding de novo establishment of branches in the State by out-of-state financial institutions.
7. It adds an application clause that pertains to the sections of the bill amending the Maine Revised Statutes, Title 36, section 520B, subsections 2 and 4.

The amendment also proposed to add a fiscal note.

Senate Amendment "A" To Committee Amendment "A" (580) proposed to strike the fiscal note on Committee Amendment "A" and replace it with a new one.

Enacted law summary

Public Law 1995, chapter 628 implements the recommendations of Maine Task Force on Interstate Banking and Branching for State action in response to the federal Riegle-Neal Interstate Banking and Branching Act of 1994. The law provides the necessary statutory authority and safeguards to permit interstate branching in this State and make the following changes to the Banking Code:

1. Changes definitions and other provisions of the banking and bank holding company laws conform to Riegle-Neal and other changes in federal and state law.
2. Changes the examination and enforcement provisions of the Maine Banking Code to provide for the regulation of the financial industry in an interstate branching environment. Changes include authorizing the Bureau of Banking to engage in joint examinations, exchange of information and contracting with other state or federal regulatory agencies in order to alleviate regulatory burden; setting a cap on the fee assessed to out-of-state financial institutions operating branches in the State; expanding cease and desist and officer removal authority to ensure that interstate branch operations comply with state laws; prohibiting the interstate operation of a deposit production office and reporting requirements to monitor compliance; and establishing a 30% limit on deposits that may be acquired through merger or acquisition by a financial institution doing business in the State.
3. Authorizes interstate branching through establishment, acquisition or interstate merger, effective January 1, 1997. This permits an interstate merger, with the operation of interstate branches. It also permits the acquisition of a branch only, and de novo establishment of an interstate branch, but only on a reciprocal basis. In addition, there is a nonseverability clause with respect to the reciprocity provision regarding de novo establishment of branches in the State by out-of-state financial institutions.

4. Permits state-chartered banks to act as agent for other financial institutions, which establishes parity with the new powers provided to federally chartered banks by Riegle.
5. Amends the Maine franchise tax laws to ensure that interstate branches are subject to the franchise tax.

LD 1753 An Act to Control Health Care Costs and Improve Access to Health Care DIED BETWEEN BODIES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	ONTP MAJ	
	OTP-AM MIN	

LD 1753 was introduced by the Maine Health Care Reform Commission as part of its legislative package, along with LD 1798 and LD 1803. The Maine Health Care Reform Commission was established by the Legislature in 1994 and charged with designing at least three proposals for reforming Maine's present health care system. This bill represents the commission's recommendations for incremental reform of the existing system.

This bill proposed to make the following changes to the health care laws.

1. It establishes the Maine Community Purchasing Alliance, a purchasing alliance through which employers and individuals may unite their bargaining power for purchasing health care coverage. The alliance is a nonstate agency governed by a board of consumers and employers. The alliance may establish no more than 10 health benefit plans that may be offered within the alliance and may negotiate with carriers wishing to sell one or more of those plans to alliance members. The alliance performs other consumer services including collecting and paying premiums, publishing report cards on the quality of services provided by the participating carriers and helping to resolve disputes between enrollees and their carriers. The alliance receives an initial General Fund appropriation and then will be funded by assessments on premiums sold through the alliance.
2. It amends the laws governing the manner in which the State purchases health care coverage on behalf of its employees and Medicaid recipients to allow a state employee to choose between approved carriers in purchasing a health plan and require the State Employee Health Commission to negotiate jointly for the purchase of health care coverage with the Maine Community Purchasing Alliance and explicitly exempts the State Employee Health Commission from the requirement to negotiate publicly. The Department of Human Services is required to consider whether or not to purchase Medicaid services through the cooperative committee.
3. It amends the laws governing community rating, guaranteed issue and continuity of coverage in order to protect the Maine Community Purchasing Alliance from adverse selection. It extends continuity coverage for persons receiving unemployment compensation by making continuity coextensive with eligibility for unemployment compensation. It also requires the Bureau of Insurance to set standards for distinguishing excess insurance from basic insurance, imposes mandatory disclosure requirements on agents and brokers and requires a business to offer health care coverage.
4. It requires health plans operating in the State to comply with certain disclosure requirements, provider credentialing restrictions, utilization review protections and other patient or provider protections.

5. It extends Medicaid coverage to children under the age of 19 whose family income is below 250% of the nonfarm income poverty line. This Medicaid expansion is funded through the Healthy Children's Trust Fund, an account funded by eliminating the ~~tax~~ exempt status of nonprofit hospital and medical service organizations and health maintenance organizations.
6. It eliminates the tax exemption for nonprofit hospital and medical service organizations licensed to do business pursuant to the Maine Revised Statutes, Title 24, chapter 19. The taxes collected from nonprofit hospital and medical service organizations are used to fund an expansion of Medicaid and to provide startup funds for the Maine Community Purchasing Alliance.
7. It amends the law governing preparation of the state health plan by the Department of Human Services.
8. It requires the Department of Human Services to convene a forum on health work force resources.
9. It allows state agencies to reimburse independent contractors for health benefits purchased for the independent contractor's employees only if the health benefits are purchased through the Maine Community Purchasing Alliance. The State Purchasing Agent must adopt rules pursuant to which the Director of the Bureau of General Services may waive this requirement if the independent contractor does only an insubstantial amount of state business or the independent contractor's place of business is not in this State and the independent contractor does not purchase health benefits in this State.

Committee Amendment "A" (H859) is the minority report and ~~replaces~~ the bill. The amendment proposed to extend Medicaid coverage to children under the age of 19 whose family income is below 185% of the nonfarm income poverty line. This Medicaid expansion is funded through the General Fund. The original bill contained a proposal to extend Medicaid coverage to children under 19 whose family income is below 250% of the nonfarm income poverty line.

The amendment also proposed to add an appropriation section, an allocation section, and a fiscal note. Committee Amendment "A" was not adopted.

House Amendment "A" (H896) proposed to replace the bill and Committee Amendment "A" by extending Medicaid coverage to children under the age of 7 whose family income is below 185% of the nonfarm income poverty line and children age 7 but under the age of 19 whose family income is below 133% of the nonfarm income poverty line. It provides that all Medicaid to children is through managed care. This Medicaid expansion is funded through the General Fund.

The amendment also proposed to add an appropriation section, an allocation section, and a fiscal note. House Amendment "A" was adopted in the House, but was not adopted in the Senate.

See related bills LD 1512 and LD 1882.

LD 1755 An Act Pertaining to Employee Benefit Plans of Employee Leasing Companies

ONTP

Sponsor(s)
MILLS

Committee Report
ONTP

Amendments Adopted

Current law allows employee leasing companies to provide health and other employee welfare plan benefits to employees leased on a totally unregulated, self-funded basis. LD 1755 proposed to allow employee leasing companies to purchase group life, health and legal service insurance with respect to leased employees. The bill would have subjected self-funded arrangements to the licensing, fiduciary, funding, disclosure and other requirements of state law relating to multiple employer welfare arrangements.

See related bill LD 1761 referred to the Joint Standing Committee on Labor.

LD 1757 An Act to Clarify and Amend Provisions of the Workers' Compensation Act Relating to Workers' Compensation Self-insurance

PUBLIC 594

Sponsor(s)
MILLS

Committee Report
OTP-AM

Amendments Adopted
S-468

LD 1757 proposed to amend the law relative to workers' compensation self-insurers by establishing a procedure to allow authorized self-insurers that experience a change in ownership or business form to file an application for continuing self-insurance authority without filing a new application and without filing a termination plan. The fee for this application is \$500. The fee for a new application is \$1,000. This bill also proposed to allow the Superintendent of Insurance to waive the requirement for a triennial actuarial review and corrects errors and inconsistencies.

This bill further proposed to clarify provisions relative to membership in the Maine Self-insurance Guarantee Association and payment of assessments. It amends the law to make it clear that a self-insured employer remains liable for Maine Self-insurance Guarantee Fund assessments even if the entity experiences a change in business ownership or form. It also provides clarity to the law regarding the authority of the Maine Self-insurance Guarantee Association to levy annual assessments in the event it is necessary to carry out the purpose of the association.

Committee Amendment "A" (S468) proposed to do the following:

1. Clarify that the reportable events provision applies to individual self-insurers only; makes the sale of a portion of a business a reportable event if 20% or more of the business is sold;
2. Clarify that the Superintendent of Insurance will prescribe through rulemaking any other events affecting the ownership of the business that must be reported;
3. Clarify some confusing language in the original bill regarding the time for filings;
4. Add a provision that allows the superintendent to request additional information from an applicant for continuing self-insurance authority during the pendency of an application;
5. Limit the superintendent's authority to waive a triennial actuarial review to those instances when the number of outstanding claims is not of sufficient volume to permit a credible actuarial analysis;
6. Explain the provisions related to the option for continuing self-insurance authority and assumption of liabilities.

The amendment also proposed to provide a mechanism for successor employers to apply for a refund or a partial refund of a new member assessment paid to the Maine Self-insurance

Guarantee Association. If such refunds would cause the guarantee fund to be reduced below its required level of \$2,000,000, the guarantee association must establish an equitable schedule for payment of the refund to ensure that the fund never goes below \$2,000,000.

The amendment proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 594 establishes a regulatory procedure to allow authorized self-insurers that experience a change in ownership or business form to file an application for continuing self-insurance authority without filing an application as a new self-insuring entity and without filing a termination plan.

The law also clarifies the statutory provisions relating to membership in the Maine Self-Insurance Guarantee Association and payment of assessments for self-insured members that experience a change in business ownership or form. It makes it clear that a self-insured employer remains liable for Maine Self-Insurance Guarantee Fund assessments even if the entity experiences a change in business ownership or form. It also provides clarity to the law regarding the authority of the Maine Self-Insurance Guarantee Association to levy annual assessments in the event it is necessary to carry out the purpose of the association.

Public Law chapter 594 also provides a mechanism for successor self-insured employers that continued to self-insure after a change in business ownership or form to apply for a refund or a partial refund of a new member assessment paid to the Maine Self-Insurance Guarantee Association. If such refunds would cause the guarantee fund to be reduced below its required level of \$2,000,000, the guarantee association must establish an equitable schedule for payment of the refund to ensure that the fund never goes below \$2,000,000.

LD 1762 An Act to Further Streamline Licensing Procedures at the Bureau of Insurance

PUBLIC 570
EMERGENCY

Sponsor(s)
KIEFFER

Committee Report
OTP-AM

Amendments Adopted
S-459

LD 1762 proposed to establish a mechanism to allow an agent's license to remain in an inactive status for a period of 2 years and provides for reinstatement of an inactive license without requiring the agent to take an examination. It increases the time for filing of annual statements from 24 months to 36 months. This bill also proposed to remove the time limit for suspension of an insurer's certificate of authority and establishes a statutory mechanism for reinstatement of the authorization. In addition, this bill proposed to revise the law to extend the time for the Superintendent of Insurance to file a report of the savings in professional liability insurance claims and claims settlement costs to insurers.

Public Law 1995, chapter 332, Part J made certain association group health insurance policies subject to the same standards as individual health insurance. In so doing, the law inadvertently restricted the ability to write such groups to carriers in the individual health market. In many cases, association groups are insured by group carriers. The law also failed to provide for these groups to be rated separately from other individual plans. Group plans are generally sold at lower rates. The bill proposed to provide an exemption allowing carriers to write association groups without offering individual coverage outside the association. Those who do offer individual coverage outside the association will be permitted to rate the association business separately as long as they meet a 75% loss ratio, a standard used elsewhere for group policies.

Committee Amendment "A" (S459) proposed to add the prohibition on an association from marketing association membership through insurance agents or brokers to the list of criteria under which insurance contracts issued to association groups may be exempted by the Superintendent of Insurance from the requirements of the Maine Revised Statutes, Title 24 section 2736C. The amendment also proposed to make changes to Title 24A, chapter 67 relating to Medicare supplement policies to bring the State's laws into compliance with recent amendments to the Federal Social Security Act.

The amendment also proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 570 establishes a mechanism to allow an agent's license to remain in an inactive status for a period of 2 years and provides for reinstatement of an inactive license without requiring the agent to take an examination. It increases the time for filing of annual statements from 24 months to 36 months. It also removes the time limit for suspension of an insurer's certificate of authority and establishes a statutory mechanism for reinstatement of the authorization. In addition, the law extends the time for the Superintendent of Insurance to file a report of the savings in professional liability insurance claims and claims settlement costs to insurers.

Public Law 1995, chapter 332, Part J made certain association group health insurance policies subject to the same standards as individual health insurance. In so doing, the law inadvertently restricted the ability to write such groups to carriers in the individual health market. In many cases, association groups are insured by group carriers. The law also failed to provide for these groups to be rated separately from other individual plans. Group plans are generally sold at lower rates. Public Law chapter 570 provides an exemption allowing carriers to write association groups without offering individual coverage outside the association as long as certain criteria are met. Those who do offer individual coverage outside the association will be permitted to rate the association business separately as long as they meet a 75% loss ratio, a standard used elsewhere for group policies. An association is prohibited from marketing association membership through insurance agents or brokers.

Public Law 1995, chapter 570 also makes changes to Title 24A, chapter 67 relating to Medicare supplement policies to bring the State's laws into compliance with recent amendments to the Federal Social Security Act.

LD 1789 An Act to Clarify the Guaranteed Issuance Requirements for Small Group Health Plans

ONTP

Sponsor(s)

Committee Report
ONTP

Amendments Adopted

LD 1789 was introduced by the Joint Standing Committee on Banking and Insurance pursuant to Public Law 1995, chapter 332, Part Q, section 1 in order to clarify the guaranteed issuance requirements for small group health plans. The bill proposed to extend the employer's right to guaranteed issuance of the small group plan to one indemnity plan and one health maintenance organization plan. It also provides that any participation requirement must be based on the total number of eligible employees and their dependents covered under both plans.

LD 1798 An Act to Create a Multipayor System for Universal Health Care

ONTP

Sponsor(s)

Committee Report
ONTP

Amendments Adopted

LD 1798 was presented by the Maine Health Care Reform Commission as part of its legislative package, along with LD 1753 and LD 1803. This bill proposed to establish universal coverage through a multiple-payor system and contained the following provisions.

Part A establishes the Maine Health Care Authority. The authority is required to administer the Maine Health Care Plan, a universal health care plan for all residents meeting a ~~one~~ month residency requirement. The plan requires all persons that have resided in Maine for one month to pay a premium for health care coverage under the plan. The premium is equal to the cost of the coverage less an employer's contribution, if applicable. The employer is required to pay 50% of the premium if the employee is full time, reduced on a pro rata basis for persons working less than full time. Premium payments and employer contributions are enforced by the authority and the authority may impose a lien on real and personal property owned by any person or entity failing to pay the amount owed. Subsidies are available for individuals and employers meeting certain eligibility criteria.

Part A also establishes a purchasing Alliance, a division within the Maine Health Care Authority. The alliance is a purchasing sponsor, through which Maine residents can choose a carrier to provide coverage under the Maine Health Care Plan. The alliance shall negotiate with carriers based on both the price and quality offered by the carrier. The alliance shall collect premiums and pay carriers as appropriate.

Part A also assigns to the Maine Health Care Authority the task of creating a comprehensive state health resource plan, establishing a global budget, integrating the certificate of need program into the global budget and state health resource plan, and ensuring the quality and affordability of health care in the State.

Part A allows the members of the alliance board ~~and~~ the Maine Health Care Authority to be paid for expenses.

Part B requires the Maine Health Care Authority and the Department of Human Services to coordinate the Maine Health Care Plan with the health benefits provided under the Medicaid and Medicare programs. The department is required to apply for all waivers necessary to integrate the Medicaid program with the Maine Health Care Plan to the maximum extent possible.

Part C eliminates the requirement for the Department of Human Services to create a comprehensive health plan. This Part also amends the certificate of need program to extend to all providers.

Part D requires the Bureau of Insurance and the Maine Health Care Authority to study the laws and rules currently enforced by the bureau and report to the Legislature regarding any statutory changes needed to coordinate the role of the bureau with the function of the authority and its division, the alliance.

Part E repeals the statutes creating the State Employee Health Commission and the ~~Stat~~ Employees Health Insurance Plan. The State will purchase health care coverage under the Maine Health Care Plan through the alliance.

Part F requires health plans operating in the State to comply with certain disclosure requirements, provider credentialing restrictions, utilization review protections and other patient or provider protections.

Part G increases the taxes necessary for raising the revenue.

Part H establishes the Maine Health Data Organization, an independent state agency that will oversee and coordinate health collection activities and collect, edit and store statewide health data resources.

Part I requires the Commissioner of Professional and Financial Regulation to cooperate with the Maine Health Data Organization's data collection activities and to require the cooperation of the health care practitioner licensing boards within and affiliated with the Department of Professional and Financial Regulation. Part B also requires the Commissioner of Human Services to cooperate with the Maine Health Data Organization's data collection activities.

Part J allows the board members for the Maine Health Data Organization to be reimbursed for their expenses.

Part K amends the licensing statutes for all health care practitioners to provide that repeated and intentional failure to comply with the data collection requirements imposed under the Maine Revised Statutes, Title 22, chapter 1683 is grounds for terminating a health care practitioner's license.

Part L requires the Department of Human Services to submit legislation to the Legislature to amend the statutes to correct crossreferences and make any other necessary changes by July 1, 1996.

**LD 1803 An Act to Create a Singlepayor System for Universal Health
Care**

ONTP

Sponsor(s)

Committee Report
ONTP

Amendments Adopted

LD 1803 was presented by the Maine Health Care Reform Commission as part of its legislative package, along with LD 1753 and LD 798. This bill proposed to establish universal coverage through a single-payor system and contained the following provisions.

Part A of the bill creates the Maine Health Care Authority. The Authority is required to administer the Maine Health Care Plan, a universal health care plan for all Maine residents. Part A requires the authority to contract with an administrator for the administration of the Maine Health Care Plan. It also assigns to the Maine Health Care Authority the tasks of creating a comprehensive state health resource plan, establishing a global budget and ensuring the quality and affordability of health care in the State.

Part B requires the Maine Health Care Authority and the Department of Human Services to coordinate the Maine Health Care Plan with the health benefits provided under the Medicaid and Medicare programs. The department is required to apply for all waivers necessary to integrate the Medicaid program with the Maine Health Care Plan.

Part C eliminates the requirement for the Department of Human Services to create a health resource plan. This Part also repeals the certificate of need program.

Part D allows the members of the board of the Maine Health Care Authority to be paid for expenses incurred by them.

Part E repeals the statutes creating the State Employee Health Commission and the Health Insurance Plan for State Employees. State employees will be insured under the Maine Health Care Plan.

Part F requires the Bureau of Insurance and the Maine Health Care Authority to study the statutes and regulations enforced by the bureau and report to the Legislature regarding any statutory changes needed to coordinate the role of the bureau with the implementation of the Maine Health Care Plan.

Part G imposes the taxes necessary to pay for the Maine Health Care Plan.

Part H establishes the Maine Health Data Organization, an independent state agency that will oversee and coordinate health collection activities and collect, edit and store statewide health data resources.

Part I requires the Commissioner of Professional and Financial Regulation to cooperate with the Maine Health Data Organization's data collection activities and to require the cooperation of the health care practitioner licensing boards within and affiliated with the Department of Professional and Financial Regulation. Part B also requires the Commissioner of Human Services to cooperate with the Maine Health Data Organization's data collection activities.

Part J allows the board members for the Maine Health Data Organization to be reimbursed for their expenses.

Part K amends the licensing statutes for all health care practitioners to provide that repeated and intentional failure to comply with the data collection requirements imposed under the Maine Revised Statutes, Title 22, chapter 1683 is grounds for terminating a health care practitioner's license.

Part L requires the Department of Human Services to submit legislation to make technical corrections to the statutes necessitated by this Act.

**LD 1882 An Act to Create the Maine Health Care Reform Act of
1996**

PUBLIC 673

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP MAJ	H-917
	OTP-AM MIN	S-553
		S-561

LD 1882 was reported out by the Joint Standing Committee on Banking and Insurance and is the result of the committee's deliberations on the legislation proposed in Legislative Document 1512, "An Act to Ensure Fairness and Choice to Patients and Providers under Managed Health Care," and Legislative Document 1753, "An Act to Control Health Care Costs and Improve Access to Health Care." This bill is the majority report of the committee.

In Part A, the bill proposed to create a licensing and regulatory process to allow the establishment of private purchasing alliances. Private purchasing alliances are nonprofit corporations licensed by the Bureau of Insurance to provide health insurance to members through multiple unaffiliated participating carriers. When established, an alliance must offer a range of health plans from at least 3 different carriers within the alliance's service area. One of the health plans that must be offered through the alliance is a catastrophic plan providing coverage for inpatient hospital benefits only.

In Part B, the bill proposed to extend the continuity of coverage protection for persons eligible for unemployment compensation from 90 days to 180 days and requires the Bureau of Insurance to set standards distinguishing excess insurance from basic insurance.

In Part C, the bill proposed to require health plans operating in this State to meet certain requirements regarding reporting and disclosure, utilization review, grievance procedures and quality of care criteria. The bill requires managed care plans to demonstrate adequate access to providers and health care services within the plan in accordance with standards developed by the Bureau of Insurance. Managed care plans must also use objective standards for the credentialing of providers, provide written statements of all decisions regarding credentialing and maintain an appeals process for providers. Managed care plans are prohibited from terminating, refusing to contract with or otherwise disciplining providers participating in the plan when the provider advocates for medically appropriate care for plan enrollees. Part C has an effective date of January 1, 1997.

In Part D, the bill proposed to repeal sections of current law applying to health maintenance organizations that are redundant with the statutory provisions in Part C and makes appropriate cross references in the Maine Revised Statutes, Title 24, chapter 56 to the relevant statutory provisions in Part C.

This bill also proposed to add an allocation section and a fiscal note.

Committee Amendment "A" (§43) is the minority report. It proposed to remove the requirement that a private purchasing alliance offer a catastrophic health plan covering only inpatient hospital benefits. It proposed to remove the language in the quality of care provision that prohibits carriers from making coverage decisions based on an enrollee's age, nature of disability or degree of medical dependency. It proposed to add a provision requiring managed care plans to establish a mechanism for the use of specialists outside the plan when an enrollee has a chronic disease or other medical condition requiring specialty care. Committee Amendment "A" was not adopted.

House Amendment "B" (H917) proposed to add a requirement that a private purchasing alliance offer a health plan providing coverage for outpatient benefits only, in addition to a catastrophic health plan covering only inpatient hospital benefits. The outpatient health plan must offer a range of deductibles including a \$500 deductible plan.

Senate Amendment "A" (§53) proposed to clarify that carriers must report statistics on plan complaints, adverse decisions and prior authorizations made by the health plan and that the utilization review requirements apply to health plans that require prior authorization of health care services. The amendment also recognizes that carriers may contract with provider networks, as well as with providers on an individual basis.

Senate Amendment "C" (§61) proposed to require the catastrophic plan to offer a range of deductibles, including a \$1,000 deductible.

House Amendment "A" (H914) proposed to require a private purchasing alliance, as established in the bill, to offer a health plan providing catastrophic coverage. House Amendment "A" was not adopted.

Senate Amendment "B" (S559) proposed to require a private purchasing alliance, as established in the bill, to offer a health plan providing catastrophic coverage. Senate Amendment "B" was not adopted.

Enacted law summary

Public Law 1995, chapter 673 is the result of the 117th Legislature's deliberations on the legislation proposed in Legislative Document 1512, "An Act to Ensure Fairness and Choice to Patients and Providers under Managed Health Care," and Legislative Document 1753, "An Act to Control Health Care Costs and Improve Access to Health Care."

Part A creates a licensing and regulatory process to allow the establishment of private purchasing alliances. Private purchasing alliances are nonprofit corporations licensed by the Bureau of Insurance to provide health insurance to members through multiple unaffiliated participating carriers. When established, an alliance must offer a range of health plans from at least 3 different carriers within the alliance's service area. One of the health plans that must be offered through the alliance is a catastrophic plan providing coverage for inpatient hospital benefits only. It also requires the catastrophic plan to offer a range of deductibles, including a \$1,000 deductible. In addition, the alliance must offer a health plan providing coverage for outpatient benefits only. The outpatient health plan must offer a range of deductibles including a \$500 deductible plan.

Part B extends the continuity of coverage protection for persons eligible for unemployment compensation from 90 days to 180 days and requires the Bureau of Insurance to set standards distinguishing excess insurance from basic insurance.

Part C requires health plans operating in this State to meet certain requirements regarding reporting and disclosure, utilization review, grievance procedures and quality of care criteria. It requires managed care plans to demonstrate adequate access to providers and health care services within the plan in accordance with standards developed by the Bureau of Insurance. Managed care plans must also use objective standards for the credentialing of providers, provide written statements of all decisions regarding credentialing and maintain an appeals process for providers. Managed care plans are prohibited from terminating, refusing to contract with or otherwise disciplining providers participating in the plan when the provider advocates for medically appropriate care for plan enrollees. Part C has an effective date of January 1, 1997.

Part D repeals sections of current law applying to health maintenance organizations that are redundant with the statutory provisions in Part C and makes appropriate cross references in the Maine Revised Statutes, Title 24A, chapter 56 to the relevant statutory provisions in Part C.